Develop Israel with Israel Bonds

THE JERUSALEM POST

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MARGINAL COLUMN

By LEVEY LAQUEUR

THE line-up in Western Europe on Nasser is topsy turvy. He has the official support of the Communist parties, and of President Tito, but "Arriba," the mouthpiece of the Spanish Falange, has been equally, if not more enthusiastic. The German Reichspartei (i.e. the Neo-Nazis) have just come out with a declaration praising Nasser and old Hjalmar Schacht has gone on record in Hamburg as saying that the Egyptian President is following a very sensible policy indeed. In England, large sections of liberal opinion and the Labour Party (including Messrs. Mikardo, Silverman and Orbach) sharply criticized the broadcast in which Sir Anthony Eden compared the Egyptian regime to the Fascist dictatorships. As one letter writer in the Bevanist "Tribune" put it: "We have to judge the nationalization of the Suez company on its merits, in isolation. It is not our task to pass judgment on the character of the regime in Egypt." One of the main pillars of the "New Statesman," Mr. Basil Davidson, has just published a pamphlet "What the Arab world really wants" which is hardly distinguishable from the handouts of the Egyptian propaganda ministry. And it appears ironically enough under the auspices of an organization called "Union for Democratic Control."

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BUT a closer look tends to show that behind the facade of widespread support on the Left there is much uneasiness which makes a swing in leftist opinion in the other direction likely if Nasser should make another false move. The liberal press in Switzerland has been critical throughout, and the Egyptian envoy to Berne has felt compelled to protest. But even in Communist circles there is much concern about the Fascist features of Nasserism — and the all-out support given him by the Soviet Union. "Liberation," the official fellow-travelling daily of Paris, has called the exclusion of Israel by the Soviet Union from its proposed conference "opportunistic." There have been letters from militants in the London "Daily Worker" to the effect that "we here in Stepney do not share your admiration of President Nasser; it would not be surprising if a few buckets of whitewash will next be poured by you over gallant General Franco..." True enough, there have been other letters threatening Israel with the "worst pogrom in history" unless it stops its attacks against its Arab neighbours at once. But it is one thing to "organise" such letters, and another to stop the steady decline of the "Worker's" circulation (more than 10 per cent in recent weeks alone). The party leaders know very well that support for Colonel Nasser is unpopular among the rank and file.

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PERHAPS even more significant is the stand taken by Mr. Pietro Nenni, the Italian Socialist leader and himself a former Stalin prize winner. Mr. Nenni resigned last month from his functions in the "Partisans of Peace" and his party declared that this group was "sectarian, of no help in the struggle for world peace, and probably even harmful." Last week Mr. Nenni made another important step forwards in his private de-Stalinization. Mr. Nenni, who remembers his Mussolini, wrote in the party newspaper "Avanti" that "as Socialists and Democrats we oppose the pan-Arabic programme of Nasser which is aggressive and basically imperialist. He wants to be a Napoleon, and if he does not give up his dreams of mission and conquest his regime will enter history not as an epic but as a farce."

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THESE voices on the left will become more numerous and stronger in the Socialist and even the Communist parties as the openly aggressive character of Nasserism becomes more pronounced. True enough, the Communist propaganda apparatus in some countries is making great efforts just now to paint the labour government of Israel as "Fascist," and the Cairo junta as "progressive." But making black appear white, and *vice versa*, was more easily done under Stalin than now, and 1956 is not 1939. In several European Communist parties the revulsion against the present cynical policy in the Middle East is palpable and in due time it may become real pressure from below. It may not be enough to cause a basic change in Soviet policy in the Middle East, but it may suffice to compel it at least to keep up appearances internationally and not to overstep a certain mark.

London, August 25.

FRENCH BAR SYRIAN COMMUNIST LEADER

The French Government has refused to grant an entry or transit visa to the Syrian Communist Member of Parliament, Khaled Bakdash, the Middle East News Agency reported yesterday. Bakdash is on a tour of Europe to explain the Arab position on the Suez Canal to parliamentary and labour circles.

Greece Protests To Turkey Over Embassy Theft

ATHENS, Monday (Reuter). — The Greek Government today lodged a protest with the Turkish Foreign Ministry against insufficient security for its diplomats in Ankara following last night's theft of documents from the Greek Embassy there.

A Government spokesman described the incident as an "act of espionage against Greece" which is of deep concern to the Government.

The robbery took place last night between midnight and 2.30 a.m., local time while the Embassy watchman was off the premises. When he returned, he found the Embassy door unlocked and the safe opened with duplicate keys which were still in the lock. Four files were reported missing from the military attache's office.

In Ankara last night, it was reported that Turkish police had arrested a Turkish hall porter of a building on Ataturk Boulevard, the second floor of which is occupied by the Greek Embassy.

Meanwhile in Athens, heavy police guards were placed around the Turkish Embassy and at Turkish consular offices throughout the country fearing popular reprisals against the Turks for the Ankara robbery.

The theft of the documents is the second incident in Turkish-Greek relations over the week-end. On Saturday, three Greek fishermen were arrested by Turkish authorities near the village of Mikrohorion, on the Evros River frontier.

(Reuter, UP)

Faure and Sukarno To Tour Russia

PARIS, Monday. — M. Edgar Faure, former French Prime Minister, left today by air for a holiday in Russia.

M. Faure, who speaks fluent Russian, told reporters that he and his wife were going to the Soviet Union strictly as tourists, and there were no political aspects to the trip.

Meanwhile, Indonesian President Dr. Sukarno, and a party of 39 dignitaries left Jakarta yesterday on an eight-week tour of Russia, China, Czechoslovakia, Yugoslavia and Austria. The presidential party is expected to arrive in the Soviet Union tomorrow.

The Soviet President, Marshal Klimenti Voroshilov, returned to Moscow today after his official visit to Finland.

(Reuter, UP)

Warnings Save Two Officers in Cyprus

NICOSIA, Monday. — Anonymous tips saved the lives of two British officers today after time bombs had been planted near them.

A Royal Air Force officer found a letter awaiting him on his desk warning of a bomb secreted under his car. The officer had driven to work with the bomb under the rear seat.

An army officer was warned by telephone that a pipe-bomb had been placed in his office cupboard. He cleared his office and found a large cast iron time bomb fully primed, in one of his filing cabinets.

In Greece, meanwhile, authoritative sources close to the Greek Government said last night in Athens that the British charges based on captured EOKA documents against Archbishop Makarios were aimed at diverting world opinion from the Archbishop's conciliatory terms for a solution of the Cyprus problem. The sources told reporters that the British Colonial Secretary, Mr. Alan Lennox-Boyd, is trying to evade the main subject, which is the satisfaction of the Cypriots' claim, and not who is EOKA's leader.

(UP, Reuter)

MAC Chairman Tours Site of Incident

The Chairman of the Jordan-Israel Mixed Armistice Commission, Colonel J. L. E. Castonguay, yesterday toured the Jordan side of the border opposite Umm el Fahm, where an Israel soldier was killed a week ago in a clash between Jordan and Israel forces, according to the Arab News Agency. He was accompanied by the Senior Jordan Delegate to the M.A.C., Colonel M. Sa'udi.

The same source reported that an emergency meeting of the M.A.C. to discuss the incident will be held tomorrow at Israel's request.

ISRAEL SCIENTISTS AT NUCLEAR CONFERENCE

SAN DIEGO, California, Monday (USIS). — Dr. Israel Dostrowsky and Dr. Israel Pelach of Israel are among the scientists and engineers from 16 nations meeting here today for the first industry-sponsored international conference on nuclear reactors. Emphasis at the meeting, to be held at the General Atomic Division of General Dynamics Corporation until Saturday, will be on problems currently facing the reactor field.

Wages Must Match Output, Eshkol Says

Jerusalem Post Bureau

TEL AVIV, Monday. — The need for a standard of living that is commensurate with the country's means, and assures the stability of the economy, was the motif of the address delivered by Mr. Levi Eshkol, Minister of Finance, to the Mapai Convention this morning. Israel is "eating up millions of dollars" on consumer goods which do not aid development, he said, and more and more local factories are selling on the home market instead of exporting.

Mr. Eshkol focused most of his criticism on the existing system of automatic wage increases unrelated to output. He warned that it would start off an inflationary spiral.

He pointed out that real wages had risen considerably over the past few years.

The Finance Minister said that wages had gone up fivefold since 1948 while the Cost of Living Index had only risen threefold during the same period. This does not include the wage increases of 1955-56. Social benefits have soared, and in some cases have even augmented wages by as much as 80 per cent, he said.

Pegged to Output

Wage increases, whether called Cost of Living allowances or anything else, must be pegged to output. If this year's wage increases of about IL150m. are fed into the economy without increased production, economic stability will be threatened. "If the back of the economy has not yet been broken, it is because development had priority in receiving financial support," he stated. "But who knows what the last straw will be," Mr. Eshkol added.

The Finance Minister refuted the claim that wages were a small part of production costs and that the C.o.L. allowance did not substantially increase the price of finished goods. Labour and wages were decisive factors, especially with regard to exports, and made up a large part of added value. He pointed out that in the food, paper, clothing, cement and quarrying and chemicals industries, wages were an average of 70 per cent of the added value.

"We were very near to stabilizing prices and currency last year, until the automatic Cost of Living allowance suddenly sprang on us, weakening the economy," Mr. Eshkol declared.

But for wage increases, millions of Pounds could go to consolidating settlements and thus help increase agricultural output and lower prices.

All those who want to abolish *ma'barot* should realise that wage increases for building workers have retarded this.

"I know that there are some people in the country who are getting fairly rich, who evade their obligations, and industrialists who at times make inordinate profits on the domestic market. But they must not be the example," he declared. Undoubtedly, laws must be passed against cartels and high interest rates. Changes could be made in the tax laws, he said, adding that there was a limit to taxes, and that the Government wished to allow investors a reasonable profit.

While appreciating the contribution of private employers to the economy, a great portion of the country's economy — agriculture, industry, transport, electricity and water, and public services — are run by the Government or the workers themselves, who cannot be accused of profiteering. But can these branches of the economy compete in the world market without growing subsidies, Mr. Eshkol asked.

The second phase in the country's development — exports — was upon us. "We are not exporting more because we are not competing successfully with others more experienced in the battlefield of the world market," Mr. Eshkol declared. As a newcomer, Israel's exports should be cheaper than others, but instead they are dearer.

Annual Imports

After listing Israel's imports of raw materials which amount to IL250m., Mr. Eshkol called on every delegate to remember that out of the IL150m. worth of exports, only IL70m. was added value and real earnings. Should the stream of dollars stop one day — and part of it may do so at any time — the level

(Continued on Page 3, Col. 5)

Keep C-o-L Wage Link — Becker

TEL AVIV, Monday. — Mr. Aharon Becker, head of the Histadrut's Trades Union Department, told the Mapai conference here tonight that 28 per cent of Israel's wage earners receive less than IL200 as a monthly wage; 30 per cent were paid between IL200 and IL220; 23 per cent from IL220 to IL270, and 19 per cent earned over IL270.

Mr. Becker said that it would be inconceivable to ask for an increase in the Cost of Living allowances simultaneously with an increase in basic wages. He urged that the method of calculating the Cost-of-Living Index be changed, but that C-o-L allowances be paid more than once a year.

Government Not Planning Legal Action in Strike

Jerusalem Post Reporter

TEL AVIV, Monday. — The Government was not considering any legal or emergency steps at present to put an end to the Dan and Egged bus strike which enters its seventh day tomorrow, Mr. P. Ginzburg, Director-General of the Ministry of Transport, told the Press tonight.

He could not give a time limit before the Government would take more energetic steps to end the strike.

Mr. Ginzburg said neither the Ministry nor the Government has considered nationalizing bus transport. The Minister of Transport yesterday met the striking co-operatives at their request, reportedly to present him with detailed proposals for transferring their organizations to the Government, but at the meeting they said they would disclose their proposals only after the Government will have agreed in principle to nationalize the buses.

Originated with Co-ops

Neither the Government nor the Transport Ministry had ever proposed such a transfer, and talk of nationalization originated with the striking co-operatives, Mr. Ginzburg said.

The Minister of Transport, Mr. Moshe Carmel, met the Histadrut Central Committee this morning and outlined the strike situation.

Concerning the Histadrut Central Committee's proposal a week ago which attempted to nip the strike in the bud, the Ministry of Transport would not agree to an increase in fares of more than 8.1 per cent, Mr. Ginzburg added. The Barzakay enquiry commission had proposed that co-operative members' wages be cut by IL10 monthly, while the co-operatives agreed to cut them by IL45 if the remaining IL65 was provided for by an increase in fares or otherwise. The Transport Minister had agreed to reconsider the balance sheet of the co-operatives in April, 1957, and if they showed losses the Ministry undertook to compensate them retroactively with 50 per cent of the deficit. Further Histadrut proposals would be considered by the Transport Ministry, but not necessarily adopted, Mr. Ginzburg said.

Turning to the emergency arrangements so far, the Director-General pointed out that not a single enterprise or border village had been cut off because of the strike, and some now had better transport facilities than provided by the buses. Traffic had increased considerably in the past two days, but queues were no longer than were usual for buses.

Settlements which formerly were served by buses twice a week would now have daily connections, while the service to border villages would be improved as the week went on, the Director-General promised.

Smooth Transport

He added that the flow of goods by road had not been noticeably affected by the diversion of many trucks to passenger transport. Ports, railway freight stations and large plants were all operating normally, and there had not been a single instance of a plant having to shut down due to a shortage of raw materials.

The railways yesterday carried 26,000 passengers, which was 150 per cent of normal.

Lorry and *sherut* taxi fares will be published tomorrow. Because of the difficulty in controlling fares, the public was asked to co-operate by reporting profiteers.

Chief Superintendent Yehuda Guy, head of the Traffic Police, said police would from tomorrow clamp down on drivers breaking traffic regulations. Many drivers felt themselves free from police control since the police had eased up lately due to the emergency, he claimed.

Taxi drivers will still be allowed to carry two passengers in the front seat.

In Haifa, 115 Egged hired employees who had received dismissal notices, effective today, turned up for work as usual. Their committee had ordered them to ignore the dismissals.

Hamekasher Fares Up 10% Today

TEL AVIV, Monday. — Fares on Hamekasher lines in Jerusalem will be increased by 10 per cent beginning tomorrow, Mr. P. Ginzburg, Director-General of the Ministry of Transport, announced tonight.

The Ministry was still examining other Hamekasher claims, but once they have been adjusted, there will be no further increases till April, 1957, Mr. Ginzburg added.

The Ministry of Transport also held a meeting today with representatives of the taxi owners to arrange regular time-tables and price lists for *sherut* lines. These routes will be permanent, Mr. Ginzburg emphasized, and *sherut* taxis will have to adhere to them even after the end of the strike.

18 French Soldiers Killed in Algeria

ALGIERS, Monday (Reuter). — Eighteen French soldiers were killed and 23 wounded in a bitter flare-up of fighting with Algerian insurgents in the Constantine Department in the past 48 hours, according to reports reaching here today.

Eleven of the soldiers died in an ambush staged by about 100 insurgents at Zirma Mansouria. Sixteen were wounded. The survivors counter-attacked and drove off the insurgents, who left behind nine dead.

Two European Electric Company workers were reported kidnapped by insurgents in the same region.

Five soldiers died and nine were wounded in clashes with insurgents about 10 miles north of Constantine.

A nephew of Marshal Philippe Leclerc was reported killed in a fierce battle with insurgents at Munier, near the Tunisian frontier.

SYRIAN VOLUNTEERS

DAMASCUS, Monday (UP). — Syrian Press reports said yesterday that certain popular organizations here were raising volunteer units to fight against France in Algeria. A number of leaders of the "Algerian Liberation Army" arrived here on Saturday to participate in Syria's nation-wide "Algeria Week" which was formally inaugurated on that day.

UK Pays Legion Grant Into Jordan Treasury

The third instalment of Britain's £9.5m. subsidy to the Arab Legion, provided for under the Anglo-Jordanian treaty, has been paid into Jordan's Treasury instead of directly to the Legion, "El Jihad," the Old City daily, reported yesterday.

The paper recalled that Britain had never admitted acceding to the Jordan request that the money be paid to the Jordanian Government, though she has apparently accepted it in practice.

Arab Legion purchasing missions are now able to buy all of the force's supplies and equipment either in Jordan itself or in neighbouring Arab countries rather than in Britain as formerly, "El Jihad" said.

JORDAN APPLIES FOR WORLD BANK LOAN

A representative of the World Bank arrived in Amman yesterday to open negotiations with the Jordan Government on the latter's application for a loan for development projects, according to the Near East Arab Broadcasting Station.

OLD CITY'S 'EL JIHAD' REPORTS B.G.'S SPEECH

The Old City daily, "El Jihad," yesterday published an extract of Prime Minister David Ben-Gurion's speech before the Mapai convention under the headline, "A Foolish Theory."

Egypt Holds Up Reply To 17-Nation Bid for Talks

Cairo Continues Quest for Pilots

Fifteen French sea captains have applied to the Egyptian Embassy in Paris for permanent employment as pilots on the Suez Canal, "Al Ahram," the Cairo daily, reported yesterday. The applications were in response to large ads placed by the Embassy in French maritime journals offering good terms of apprenticeship on the Canal for candidates under 40, with at least eight years of sea experience and holding masters' certificates.

According to the Middle East News Agency, the Suez Canal Authority is promising new pilots the same salaries and the same conditions of service as were granted by the old Suez Canal Co.

The British Foreign Office spokesman, answering questions at his Press conference in London yesterday, declined to elaborate on the position of British pilots at present working for the Egyptian State company which has controlled the Suez Canal since its nationalization last month. He refused to add to the statement made by Foreign Secretary Selwyn Lloyd last week that Britain has urged the pilots to continue working for the Egyptian company pending the outcome of the London conference.

Last Saturday, M. Jacques Georges Picot, General Manager of the Suez Canal Co., informed Mr. Lloyd that the company would consider interested governments responsible for the safety of their own nationals should they be urged to continue working for Egypt. It is widely recognized here that a general withdrawal of the British and French pilots could cause a navigational crisis with wide political repercussions.

Three Arab States Discuss Tapline Bid

BEIRUT, Monday (Reuter). — Cabinet Ministers from Syria, Jordan and the Lebanon met in Damascus today to discuss the American Tapline Company's offer to share half of its oil profits as royalties with the three countries and Saudi Arabia, through whose territories its pipelines run.

Syria, Jordan and the Lebanon have announced agreement in principle on the Tapline offer, while Saudi Arabia has approved of the deal. But there has not yet been a firm decision on the proportion each country will get.

The Lebanon, which has the smallest stretch of the 754-mile long pipeline from Daisuman, Saudi Arabia, to Sidon, in the Lebanon, hopes that Saudi Arabia, which has most of the line, will agree to an equal division of profits.

Mr. Sa'eb Salam, Lebanese Minister of State in Charge of Oil Affairs, asked why Saudi Arabia was not represented at the talks, replied that the meeting had been informed that King Saud would agree to any decisions reached by the three other states.

79 DROWNED IN TURKISH FLOODS

ANKARA, Monday (AFP). — Seventy-nine persons are reported drowned in floods following heavy rainstorms in the mountainous Adimaman region, south-eastern Turkey, in the past few days.

Menzies' Task Is to 'Explain'

LONDON, Monday. — Members of the five-nation Menzies Committee here today made plans for contact with Colonel Abdul Nasser on the Suez crisis as unofficial reports reached London of his willingness to meet the group.

A spokesman for Mr. Robert Menzies, Australian Prime Minister who is chairman of the committee, said that final details must await the delivery of the Egyptian leader's reply, expected to be handed over tomorrow, but he added that the committee could fly at very short notice.

The group held two business meetings here today while awaiting Cairo's official reply.

No immediate explanation was available here for the Egyptian delay in delivering Abdul Nasser's answer. In Cairo yesterday, an official Egyptian spokesman said that the reply would be in British hands by this morning. Egyptian newspapers including the official "Al Gomhouria" said this morning, however, that Abdul Nasser would meet the Menzies Committee in Cairo.

Abdul Nasser today conferred on the Suez question with Foreign Minister Mahmoud Fawzi and his chief political officer, Ali Sabry, who returned from the London conference yesterday.

Menzies to 'Explain'

Acceptance of Menzies' invitation to meet would not imply willingness by Egypt to negotiate on the basis of the 17-nation plan for management by an international Suez Canal board. The sole function of the committee, British sources said in London, is to explain the plan to Abdul Nasser.

Sir Anthony Eden, who drove back to London today after a week-end stay at his country residence, tonight called a meeting of Ministers concerned with the Suez crisis.

The Government is still considering when Parliament should be recalled from its summer vacation to discuss the Suez problem. Ministers are known to feel that Parliament, which began an 11-week summer recess early this month, should be given an opportunity to debate the outcome of the London conference. But political sources said that Parliament will only be recalled when the Suez problem has reached a clear stage.

(Reuter, UP)

Egyptians Expel 3rd Correspondent

CAIRO, Monday (UP). — A third foreign correspondent, Anne Sharpley, of the London "Evening Standard," has been expelled from Egypt. She left Cairo by air last night.

Yesterday, it was announced that William Stevenson of the Toronto "Star" and Eileen Travis of the London "Daily Mail" had been asked to leave the country. Stevenson left yesterday, while Miss Travis is expected to leave tomorrow.

None of the three was told the reason for their expulsion.

Nasser in 'Conciliatory' Mood, Abdulgani Says

KARACHI, Monday (Reuter). — The Indonesian Foreign Minister, Mr. Ruslan Abdulgani, said today that Colonel Abdul Nasser appeared to be in a conciliatory frame of mind on the Suez issue when he saw him during the week-end.

Mr. Abdulgani was passing through Karachi after attending the London conference on the Canal. He said that he was hopeful of a peaceful solution, adding, "I am satisfied with the results of the Suez conference in London."

Satisfaction was also expressed by the Pakistani Foreign Minister, Mr. Hamid ul Huq Chowdhury, who also returned today. He declared, however, that it was now up to Egypt to decide whether she wants to settle the Suez Canal issue by negotiations or in her own way.

Mr. Chowdhury said that Egypt will not commit herself if she agrees to negotiate. "Every effort was made to respect Egypt's sovereignty and susceptibilities and settle the matter in a normal way," he declared.

(Earlier, speaking to reporters at Beirut where his plane was delayed two hours because of engine trouble, Mr. Chowdhury stated that Pakistan would oppose the use of force to settle the Suez dispute).

Poles Build Tankers For Mid-East Oil

VIENNA, Monday (Reuter). — Polish shipyards at Gdansk will shortly begin work on oil tankers of 18,000 deadweight tons designed to transport oil from the Middle East to Poland by way of the Suez Canal, according to the newspaper, "Al Ahram," today. The daily quoted the volunteers as saying that their training in Egypt's National Liberation Army would be of "great use to them when they returned to their homelands to fight against British and French occupation."

U.S. ZIONISTS URGE PACT WITH ISRAEL

NEW YORK, Monday (Reuter). — American Zionist leaders said today that the seizure of the Suez Canal was the inevitable outcome of what they alleged was the U.S. State Department's appeasement of the Arab states.

The National Zionist Administrative Council urged President Eisenhower to supply arms to Israel and to agree to a mutual security pact with Israel.

African Volunteers Train in Egypt

CAIRO, Monday (Reuter). — A contingent of volunteers from Uganda and French Equatorial Africa have joined the Egyptian National Liberation Army and gone into military training at the National Guard training camp in Cairo, according to the newspaper, "Al Ahram," today. The daily quoted the volunteers as saying that their training in Egypt's National Liberation Army would be of "great use to them when they returned to their homelands to fight against British and French occupation."

'Times' Recalls U.N. Owes Israel Action

LONDON, Monday (Reuter). — "The Times" said today that Britain believes in the United Nations, but "so far as the Suez Canal is concerned, it will presumably first have to get Nasser to obey its original edict regarding Israel" before it can have any confidence in going on to discussion of Egyptian nationalization of the Canal.

REVIVAL OF YIDDISH REPORTED IN USSR

By MAURICE CARR

Jerusalem Post Correspondent

PARIS, Monday. — The Yiddish publishing house, Emmess, is being reconstituted in Moscow by an official committee of Yiddish writers, and a regular flow of Yiddish books is to start in 1957, according to a special Moscow correspondent of the Parisian Yiddish daily, "Nele Presse."

A Yiddish almanac, "Heimland," is already on the press and is appearing in October, while another Yiddish almanac is in preparation in Kiev, the correspondent writes. In addition, gramophone records of Yiddish songs are now available in shops.

A Yiddish writers' congress is also scheduled for January, the article adds.

New Persian Oil Well Doubles Yield Record

TEHERAN, Monday (Reuter) — While workmen strove to cap Persia's newest oil well today, an official announcement disclosed that its 200-foot spout was yielding nearly twice as much oil as the country's biggest well now operating.

The new well was discovered by the Government-owned National Iranian Oil Company on Saturday at Gum, about 120 kms. south of Teheran.

Today's announcement, quoted by Teheran Radio, said that the new well was flowing at a rate of 80,000 barrels a day.

One authoritative source here, however, estimated the flow at 150,000 barrels a day.

The best well in Persia, operated by the International Oil Consortium, at Aghajari, produces only 90,000 barrels daily.

National Front Wins Tunisian By-Election

TUNIS, Monday (Reuter). — National Front candidates won all the 10 National Constituent Assembly seats at stake in the Tunisian by-elections yesterday.

The National Front is an amalgamation of various organizations grouped round the Neo-Destour Nationalist Party of Prime Minister Habib Bourguiba. The Front's candidates were unopposed except at Gafsa.

Charges U.S. With Betraying Principles

WASHINGTON, Monday (Reuter) — Dr. Fayez Sayegh, Acting Director of the Arab Information Office in the U.S., said last night that America had betrayed "every single principle for which it stands" by taking part in the London Suez Canal conference.

Speaking on a television programme, Dr. Sayegh blamed Britain and France for the crisis because of what he said was their "economic warfare" against Egypt and threats of military warfare.

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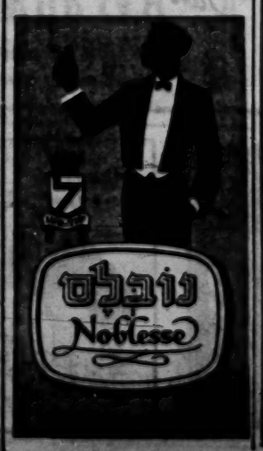

Fashion King Dior To Visit Israel?

Perhaps — but in the meantime you can be smartly dressed with the help of the new plastic starch Plastin that is such a boon to the elegant woman.

"Plastic" Ltd.
distributed by "Taubin" Ltd.

Dear Passenger,

If you are an employee or self-employed, during the years, you have achieved rights which guarantee your livelihood and the support of your family. These rights are achievements which you will never allow anyone to destroy. They are the fruits of your labour, the source of your income and provide for you and yours now and in the future.

Perhaps you, too, have even more than once had to defend these rights against those who aimed to destroy them. Some of you have even been forced to strike. This is the recognised right of every worker in Israel under such circumstances.

We, too, — as workers — have been forced to strike in order to defend rights which we have achieved during the past 35 years.

ISRAEL WORKERS!

Today, the fight is ours.

Tomorrow, it may be yours.

By sympathizing with those who scheme against us today — you weaken your power of defending your own rights tomorrow.

Members of the
Transport Co-operatives

Social & Personal

The President yesterday received Rabbi Kopel Rosen, founder and director of the Carmel College in England. The visitor was accompanied by Messrs. A. Rosenberg and N. Leuris.

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Prime Minister Ben-Gurion was on Sunday presented with a portrait of himself, painted by Mr. Nicholas Volpe, as a gift of the delegation of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, headed by Mr. James R. Hoffa.

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Mr. Moshe Avidan, former Charge d'Affaires in Warsaw, has been appointed Minister-Counsellor at the Legation in Buenos Aires. He is expected to take up his post next month.

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A delegation of active members of Zionist organizations in the Diaspora was yesterday received by Dr. Y. Arnon, Director-General of the Minister of Finance, who spoke to them on the country's economic problems.

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A group of 35 Jewish students from Chile and Uruguay visited the Hebrew University yesterday and were received by the head of the Department of Romance Studies, Prof. H. Peri.

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Dr. O. Walter Wagner, Chairman of the Federation of Protestant Churches of St. Louis, Missouri, yesterday visited the Mahane Israel Hospital for the Chronically Ill and the Givat Hashlosha Home for the Aged. Both institutions are supported by Malben.

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Mr. I. Melamede, Managing Director of I.C.I. (Israel) Ltd., and Consul for Norway, accompanied by Mrs. Melamede, has left for England for a two-month visit on leave and business.

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BIRTH

CIFRONY — To Shulamit and Gavriel Cifrony a daughter, Na'ama, at Misgav Ladach Hospital, Jerusalem, on August 27, 1956.

Adviser on Planning

Mr. Ephraim Ben-Artzi has been appointed by the Minister of Commerce and Industry as adviser for industrial planning and development. In this capacity he will direct the work of all the planning committees set up by the Interministerial Committee on Industrial Planning.

CHESS TEAM OFF TO MOSCOW MATCH

LYDDA AIRPORT, Monday. — The Israel chess team for the International Tournament to be held in Moscow on Thursday left today by El Al for Vienna.

The players are: Messrs. M. Cherniak, Y. Porath, Y. Aloni, M. Oren, Y. Dobkin and M. Smeltiner.

Dr. Oren, who leads the delegation, said that he would be satisfied if the team achieved the same result as in the tournament two years ago in Amsterdam — seventh out of 26 countries — because the present group had not trained sufficiently and no new blood had been included. *(Itim)*

QUITS POLICE FORCE

TEL AVIV, Monday. — The third member of the Police Force who was suspected of being connected with the underworld, resigned from the Tel Aviv force today.

Police Sergeant Menashe Bar-Dayan, of the Criminal Investigation Department, resigned even though the investigation had not revealed anything against him, and he had subsequently returned to his post.

Another sergeant had resigned and an officer had been dismissed earlier as a result of the investigation. *(Itim)*

WRITER. — Mr. S. Lominsky, well-known Yiddish writer and editor of "Yom Tov Bletter," died in New York yesterday. He was noted as a writer and poet in Poland before he arrived in the U.S. in 1942.

Cinemas

JERUSALEM

At 3.30, 7.15 and 9.15 p.m.

EDISON: Rebel Without a Cause.
EDEN: Deep in My Heart, 2nd week.
ARNON: Flight Nurse.
ORION: The Revolt of Mamie Stover.
OHEL: The Pickwick Papers.
ORNA: The Eternal Sea. 2nd week.
STUDIO: The Paradine Case. 2nd week.
ZION HALL: "L'Angelo Bianco."
BON: "L'Amant de Lady Chatterley."
TEL OR: Drums of Tahiti.

TEL AVIV

ALLENBY: Blood Alley.
ARMON DAVID: "Parak 7 Filles." 4th week.
CHEN: The Desperate Hours. 3rd week.
ESTER: The Glass Slipper.
EDEN: "Lahabiln." 3rd week.
HIGDALOR: The Young Lovers. Matinee: Sunset and Sweat.
HOGNARI: House of Bamboo. 2nd week.
OPHIR: Devil of the Desert.
ORION: The Silver Chalice.
SHEHEROVE: The Stooge. 2nd week.
TCHELET: Picnic. 3rd week.
TAMAR: The Yellow Balloon.
YARON: "L'Oro di Napoli."
RAMIR: Love for 3 Pennies.

HAIFA

ATSMON: A Prize of Gold.
PEER: "Ca Va Barder..."
GAL OR: "Musique en Tête," 2nd week. Matinee: The Eagle and the Hawk.
AMPHITHEATRE: "Le Dernier Pont."
ORAH: "Si Tous Les Gars du Monde..." 3rd week.
ARMON: The Constant Husband.
EN DOR: Tangerine.
OSLY: Golden Demon. 2nd week. Matinee Programme for Children.
MORIAH: Bobby Long Legs.
ZION: The Nightingale. 2nd week.

LAW REPORT

The Jerusalem Post August 28, 1956

In the Supreme Court Sitting as Court of Criminal Appeals

Before Justices Agranat, Silberg and Goitein.

The Attorney General, Appellant, v. Achmed Jibrin and Yaacov Ali, Respondents (Cr A 14/56).

Guilty of Abetting Opium Dealer

The Supreme Court dismissed the appeal against the lightness of the sentence imposed on the first respondent and allowed the appeal against the second respondent's acquittal, by the Haifa District Court on November 24, 1955 (Cr. C. 136/55).

Mr. Harish, Assistant to the State Attorney, appeared for the Appellant; Mr. Y. Hagler for the second respondent.

On December 7, 1953, the occupants of a police car travelling in the vicinity of Um-el-Fahm, saw a taxi pull up alongside the road. A man, subsequently proved to be the first respondent, alighted from the taxi and walked in the direction of a nearby hill. The suspicions of Officer Singer, who was in the police car, were aroused and he ordered his driver to pull up into a side-track which was hidden from the main road. When the taxi turned round and sped back in the direction of Afula, the police car gave chase and intercepted it near Karkur. At the moment the taxi drew to a halt, Yaacov Ali, the second respondent, was sitting next to the driver and Achmed Jibrin, the first respondent, was in the back seat. At the request of the police, the occupants of the taxi got out, and the taxi itself was searched. Two packages containing 2½ kilograms of raw opium were found beneath the back seat.

In the Haifa District Court, Judge Slonim found that the respondents had met in Haifa earlier that day, that Ali, who earned a livelihood as an agent in all kinds of transactions, had hired the taxi, and that the purpose of the trip had been the acquisition of the opium. In consequence of these findings he found Jibrin guilty of being in unauthorized possession of a dangerous drug, "possession" being defined as having it in his actual custody or its being held by any person subject to his control, or for him or on his behalf, in accordance with section 7(2) of the Dangerous Drugs Ordinance, 1936.

Taking account of the fact that Jibrin was 55 years of age, supported a wife and six children, of whom the oldest was 15, and an old mother, and that he himself did not have the means to acquire so large a quantity of opium and child therefore have been only a middle-man in the transaction, Judge Slonim fined him IL300 and gave him a six months' suspended sentence. As to Ali, he held that, although he had known of the nature of the contents of the packages in the taxi, he had on no occasion been in physical or constructive possession of the opium, and acquitted him.

The Attorney General appealed against the lightness of Jibrin's sentence and against Ali's acquittal.

Judgment

Justice Agranat, with whom Justices Silberg and Goitein concurred, said that Mr. Harish had expressed the sentiments of the Court itself when he had argued that the first respondent should have been given a punishment more commensurate with the serious nature of his offence, in order to discourage others from committing similar offences.

This offence goes to the roots of the health of the community, the Justice said, and the purpose of the law could not be properly achieved if the punishment inflicted is not such as to serve as deterrent to would-be unauthorized dealers in dangerous drugs. Therefore, only in the rarest of cases, and only when the mitigating circumstances are of the most special kind, should anything less than a prison sentence be given to the guilty offender. While a distinction should be drawn between those who reap the profits from drug dealings and those who serve as their tools, nevertheless even the latter, small fry though they may be, should not invariably be dealt with compassionately. For if the go-betweens could be sufficiently deterred by the threat of heavy punishment from serving the ends of the drug merchants and smugglers, then the chances of getting rid of the drug menace would be considerably enhanced.

In view of all this — and he had gone into some detail for the future guidance of trial judges — the Court would unhesitatingly have increased the first respondent's punishment, despite the mitigating circumstances, were it not for the fact that more than two and a half years have elapsed since he was first apprehended for the offence. It would therefore not be just to send him to prison at this late stage.

Turning to the second respondent's acquittal, Justice Agranat held that the decisive question was whether the second respondent had had control of the two packets of opium — either exclusive control or joint control with the first respondent. An analysis of the facts showed that this had not been proved. Until the discovery of the opium, the first respondent had had exclusive possession of it unless the role played by the second respondent could be shown to have been such as to have given him the control if not the actual physical custody, of the opium. This could only have been so if the second respondent had been proved to have served as an agent for selling or buying the opium, or if it had been proved that he himself had bought the opium through the first respondent. But Judge Slonim had held that Ali had not completed his transaction with Jibrin, and therefore neither of these alternatives had been proved.

As to Mr. Harish's argument that, since the second respondent was, so to speak, in charge of the taxi, which he had hired and therefore any packages put into the taxi should be regarded as being in his possession, Justice Agranat held that this argument was unacceptable, quoting English precedents to show that the mere fact that the second respondent had been in control of the taxi in which the first respondent had ridden together with his packages was not sufficient to vest possession of these packages in the second respondent. However, he had been guilty of "aiding and abetting" the commission of the first respondent's offence (section 8 (a) of the Ordinance) as was clear from the evidence before the Court, even though he had not been guilty of the offence itself. He was therefore punishable with a like penalty as if he himself had committed the offence.

The appeal against the second respondent's acquittal was allowed and, in view of the fact that in his case, too, two and a half years had elapsed since the offence was committed, he was sentenced to a fine of IL500 and a three months' suspended sentence.

Judgment given on July 24, 1956.

AHARON AHARON, 25, was yesterday sentenced by a Jerusalem Magistrate to six months in jail for avoiding military service.

Where to go

• **Meet the Israeli:** — Tourists invited to meet Israelis at home. Information at Government Tourist Offices Jerusalem, Tel Aviv and Haifa.

JERUSALEM

PENSION GEIGER, Beit Hakerem, Tel. 2185. Kasher. Lunch, Dinner in cool shady garden. Bar.

• **Exhibitions:** — Permanent exhibition at the Department of Antiquities. Temporary: New finds from the excavations at Beit Shearim and Mi'ayan Baruch and recent excavations including Ginossar, 9-1, 3-5.

Conquest of the Desert, Permanent Exhibition. Daily from 10-1, 4-6. On Friday from 10-1 only. The exhibition is closed on Shabbat.

Arts and Crafts Exhibition on the occasion of the 80th Anniversary of the Bezalel School of Arts and Crafts, 10-1, 4-6.

1) Paintings by Dr. Rivka Aanbel. 2) Water colours and gouaches by Kurt Dublon. 1) Water colours and gouaches by Nathaniel Jacobson, of Boston, U.S.A. 4) Jerusalem Artists Gallery. 5) Handicrafts Exhibit. Artists House, 10-1, 4-7.

• **Film Shows:** — Israel Films — Keren Hayesod.

• **Tours:** — Hebrew University conducted tour. Terra Sancta Building. Room No. 10 a.m.

• **Menorah Gilmore Club:** — Photography Group, 7.30.

• **Artists House:** — Union of City Engineers in Israel. Day of Study and Discussion. 8.30 a.m.

• **"The Press and Public Act":** Civic Information and Education Service. Mr. M. Bader, Director-General of the Ministry of Development, will answer questions from Jerusalem journalists and the public. Menorah Officers Club, 8.30 p.m.

TEL AVIV

Italian specialities, lunch, dinner, music. Luky's Bar, 7 Allenby Rd. Air conditioned.

• **Exhibition:** — 1) Paintings and drawings by Ben de Leeuw and Anne Neuman. 2) Archaeological finds from Hazor. 3) Paintings and Drawings by the Brazilian painter Candido Portinari. 4) "American Industrial Art." 5) Paintings by Moshe Pruppes. Museum, 10-1, 4-7.

• **Tourist Service:** — Z.O.A. House Tourist Service Welcomes You. 9.30 a.m. to 2.30 p.m.

• **Theatre:** Ohel, "The Prince and the Pauper." 4 p.m. Cameri, "The Mantle," New Cameri Hall, 8.30.

HAIFA

• **Exhibitions:** — 1) Paintings by Zvi Gali. 2) Museum's Collection — Israeli Art Section. Fortnightly exhibit: 1) painting by Abel Pann, presented by Mrs. Caroline Grunfeld of New York. Museum, Town Hall. 10-1, 5-8.

JAFFA

• **Theatre:** — B. Witler and S. Lerer, "My Lucky Home," Jaffor, 8.45.

EMERGENCY PHARMACIES

JERUSALEM: Ora, 37 King George, 2042.
TEL AVIV: Briman, 56 Allenby, 62353. Jabotinsky, 126 Ibn Gabirol, 23940. Ben Yehuda, 143 Ben Yehuda, 26255. Fraenkel, 38 King George, 23721. Baruch, Hatikva Qtr., 67405. JAFFA: Briut, 6 Rehov S, 82582. RAMAT GAN: Grimze, 50 Bialik, 72237. PETAH TIKVA: Kubu, 2 Pinsker. HOLON: Ribak, Kikar Struma. RISHON LEZION: Gamarnik, ROVOT: Burk, 115 Herzl, 266. HAIFA: Ramham, 23 Aristoroff, 2974. Atiya, 44 Atiya (Bat Galim).

EMERGENCY PHYSICIANS

JERUSALEM: Dr. Greenwald, 32 Yehoshua Bin-Nun, 62962. Dr. Ehrenfeld, 34 Ramban, 4260. TEL AVIV: Dr. Grifel, 5 Ben Yehuda, 25493. Dr. Levitan, 100 Ben Yehuda, 26507. JAFFA: Dr. Shabat, 65 Rehov 4.
HAIFA: Dr. Sherman, 9 Hanasi'im, 3424. Dr. Ludwig, 26 Shivat Zion, 67417.

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AT THE CINEMA

THE Rank film, "The Kidnappers," (Orion, Haifa) is a pastoral of life in Nova Scotia 50 years ago, a pastoral with a certain grimness supplied by the stern old Scots grandfather (Duncan MacCrae) and the background of xenophobic hatred. The conclusion shows that a human heart beats under the gruffest exterior. Indeed, "The Kidnappers" has a strong vein of sentimentalism, redeemed by excellent acting from the two women, the grandmother and her daughter and, above all, by the performance of the two little boys, particularly the younger. Their acting is a pleasure, bereft of self-consciousness. As in the case of all child acting, the credit must go to the person who trained the children (Margaret Thompson) and to the author of a brilliant script (Neil Paterson) whose natural child patter and dream world rang true.

Film with Message

THE most successful sections of Christian Jaques' production "Si Tous Les Gars du Monde" (Orah, Haifa) are those where one recognizes the hand of Cleuzot, in such sequences as the strained nerves of the doomed sailors, the enervating boredom of a tropical day or the deserted, lamp-lit streets of Paris and Munich. Not a great film but a most competent production with very strong moments — and a message.

Amusing Farce

THE Constant Husband" (Armon, Haifa) is a farce of the "save me from women" kind, amusing, distinctly improbable farce set in a comfortable surroundings and a varying degree of depiction in each separate affair to obviate monotony. On the whole, a well produced film, with the cast giving a polished performance, Rex Harrison goes without saying and, among the ladies, Margaret Leighton as the lawyer for the hero's defence and Kay Kendall (the vamp of "Genevieve"), as the first of the wives to appear. For a summer evening. *H.*

A Dickens Film

"PICKWICK Papers" (Orgil, Jerusalem), Dickens' first-born, adapted and directed by Noel A. Langley, brings to the screen the patriarchal chronicle of that philistine club, in a picturesque, sometimes even picaresque manner. Consisting, like the book, of a series of episodes, the picture lacks tension, but the various characters are brilliantly portrayed by James Hayter, Nigel Patrick, Donald (Svengali) Wolfit, Kathleen Harrison, Hermione Gingold, who create scenes that bring to mind the original illustrations of the first edition by "Phiz." Most impressive were the law proceedings and the Bedlam-like prison scene.

They Met in Honolulu

"THE Revolt of Mamie Stover" (Orion, Jerusalem) has an interesting script about a poor girl who becomes a hostess in a 1941 Honolulu nightclub and a promising young writer who joins the army after Pearl Harbour. The characterization of this couple is in good hands. This is the first time that we found Jane Russell convincing, and Richard Egan made an excellent partner. Agnes Moorehead seemed authentic as the club's owner. "The colourful short on Las Vegas is an additional attraction. *FRANGO*

Four in One

"L'ORO di Napoli" (held over at Yaron, Tel Aviv) is one of the best Italian pictures we have seen for a long time, in the tragi-comical manner they know so well how to handle. It consists of four separate stories, all set against the boisterous background of Napies.

"The Gambler," with Vittorio de Sica, who directed the film, in the role of an elderly nobleman whose passion for cards leads him into strange paths, is a real tour de force. "The Wedding" with Sylvana Mangano, is a curious little story that leaves the audience guessing and is particularly cleverly photographed.

The last story, "The Ring" with Sophia Loren as the lead in a Maupassant-like plot, is most amusing and played with great gusto. The least satisfactory is the opening number, "The Boss," but even this has its moments. Recommended.

New Cinderella

"THE Silver Slipper" (Esther, Tel Aviv) is the story Cinderella with cute little blue-eyed Leslie Caron in the name part, and handsome Michael Wilding as the Prince Charming. It is a charming film with some good ballet numbers (The Roland Petit Ballet and Caron herself) and some amusing dialogue. Adults as well as small people will find the picture worthwhile. *S.W.*

Yesterday's Press

The Party that Built the State

IN a magnanimous mood, Davar (Histadrut) admits that there are many elements in Israel's public life that have taken part in building the State, but it is Mapai that has been and remains the central, leading element with a hand in every endeavour and in every struggle in the State's development. This party has been the target of severe criticism, the paper admits, but that is the price that must be paid for the responsibility of being the State's mainstay.

Ha'aretz (non-party) writes that the central problem before the present Mapai conference is how the party is to recapture the position of strength and influence which it had on the emergence of the State. It will be able to do so not by employing outworn strategy but only by redefining and clarifying its economic and social position and by going in for some housecleaning. If part of the party is ready to scrap outworn concepts and replace them by a more modern outlook but the other part insists on clinging to them, Mapai will only have its power of decision paralyzed and will have no prospects of beating Ahdut Ha'avoda and Mapam; and the chaos born out of this paralysis will be fruitful soil for Herut's growth and expansion.

Hatzofeh (General Zionist) avers that no one will disagree with the six economic points enunciated by Mr. Ben-Gurion but claims that it is precisely his Government which has done everything to scuttle them. The Prime Minister must bear in mind that his admission of the great danger on the economic front hardly squares with linking up with extreme "cominform parties" still dreaming of a socialist revolution and proletarian domination. His continued partnership with these parties, and his avowal that he would widen that partnership to include the very extreme labour groups, shows that B.G. is still dreaming of class advantage instead of working for a united nation above narrow party considerations.

The London Conference, notes Lamerhav (Ahdut Ha'avoda), has neither solved the Suez navigation problem nor eased Middle East tension.

ON THE AIR

FIRST PROGRAMME

322, 249, 33.3 & 49.9 M.

News, Hebrew: 6.35, 7.00 a.m. 1.30, 4.00, 7.00, 9.00 & 11.00 p.m. Arabic Programme (including News): 8.00 a.m., 2.15 and 6.00 p.m.

6.30 a.m. Service. 6.37 Exercises. 6.47 Musical Clock (R). 7.15 Melodies (R). 9.00 Close Down.

12.00 Music at Noon. Soloist: Eddy Cantor. 12.30 Music for Two Pianos. 12.50 Housewife's Choice. 1.50 "From Dan to Eilat."

4.02 p.m. Youth Programme. 4.30 Light Music Request Programme. 5.10 Farming for All. 5.20 Hebrew Language Corner. 5.35 "Young Artists": Youth play works by Mozart: 6th Programme—Belgium. 1) Variations on a Dutch Song of Christian Graaf, K. 24 (played by Louis Pas — Piano); 2) Duo for Violin and Viola, K. 424 (played by Daphne Godson & Georges Longree). 7.15 We Present Tonight. 7.25 Ron-Ami. 7.35 "For Your Health." 7.45 Haifa Programme. 8.10 Spanish Songs. 8.45 "The Arab World." 8.55 Bible Reading: Divrei Hayamim A — Chaps. 9 & 10. 9.15 Israel Conductors present Israel Music abroad. 10.45 Intermezzo with Ben Light and his Ensemble. 11.00 Close Down.

SECOND PROGRAMME

491, 480, 285, 41.9 & 31.3 M.

English News: 1.45, 10.00 p.m. French News: 2.00 p.m.

IMMIGRANTS' HOUR, 6.30 Programme for Yemenites. 6.45 Hebrew Lesson in Yiddish. 7.00 Ladino. 7.30 French. 8.00 Yiddish. 8.30 News in Easy Hebrew. 8.45 Turkish. 9.00 Interval. 9.15 Israel Folk Music (on 31.3 metres only). 9.30 Rumanian. 9.45 Hungarian.

KOL ZION LAGOLA (31.3 M.): (Programme to South Africa): 8.00 News. 8.10 "From the Federation." 8.15 Ethel Eussman, Soprano, with the Kol Yisroel Orchestra. 12.15 News. 12.25 "On the Spot." 12.30 "The Bible in Music" — II. 12.45 Easy Hebrew Conversation, by Judah Shaval.

ARMY PROGRAMME (44.6, 210, 235 & 238 M.): 6.30 Opening. 6.33 Songs. 7.00 News. 7.15 Intermezzo. 7.30 Musical Key. 8.00 Weekly Talk on Military Affairs. 8.10 Hit the Target. 9.00 News. 9.15 "The Man & the Tree." 9.45 Evening Tunes. 10.00 Close Down.

B.B.C. HEBREW BROADCASTS (16.79, 19.42, 25.26 & 31.15 M.): 7.30-8.00 p.m. News. News Talk. Jewish Commentary: The Edinburgh Festival.

Tuberculosis Death Rate Drops Here

The mortality rate from tuberculosis dropped last year to 7.4 per 100,000, according to the new Government Yearbook. Comparable rates of T.B. mortality in European countries were: Finland 40.6, France 31.9, Switzerland 21.4, Germany 21.4, Britain 19, Denmark 7.7, Holland 7.5.

Mortality from tuberculosis among children dropped from 13.4 per 100,000 in 1949 to 1.2 in 1955.

Meanwhile, the number of T.B. hospital beds has been cut down to 1,315 as compared with 2,100 in 1952, as a result of the improvement in the country's tuberculosis situation.

Within two or three years only 1,000 beds will be needed, the Yearbook states.

A total of 1,042 new T.B. cases were recorded in 1955 as compared with 1,302 in 1954 and 1,518 in 1952.

VISITORS' GALLERY

Leader of Biggest Union in World

Mr. James R. Hoffa, Vice-President of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, who heads the 27-man trade union delegation concluding today a one-week visit to Israel is credited with having manoeuvred one of the major triumphs in recent American labour history. After complicated negotiations extending over three years, he has got disconnected, local trucking firms in 23 out of 48 states to sign standard contracts guaranteeing their employees minimum wages, hours and social benefits. In some states, this has meant a reduction in hours from 60 to 40 a week and a raise in pay of as much as $1.24 an hour.

The engineer of this achievement is a sturdily-built man with an air of quiet intensity. The son of a coal digger, he left school in the ninth grade to take a full time job in Detroit. By the time he was 18, he was at the head of the Kroger Grocery Warehouse Employees (50 members). At 24, he was elected president of the Teamsters local in Detroit and in 1952, at the age of 39, he was elected to his present post.

Equal to Israel

Mayor Gerahon Agron, of Jerusalem, who is host to the delegation, pointed out at a reception last week, that the membership of the Teamsters Union does not fall much below the total population of the State of Israel. With some 1,600,000 members, it is the largest union in the world.

The union has come a long way since it was organized by the milk delivery men who drove teams of horses, but Jim Hoffa believes there is plenty of room for improvement.

"The teamsters should have a share in the management of the firms they work for," he says.

By October of this year, pensions will be granted to all Teamsters who have reached the age of 60 — the first union plan of its kind to be put into operation. *M.B.*

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Stocks and Commodities

Rassco Debentures Absorbed in Tel Aviv

THE IL1,000,000.- issue of 6½ per cent Rassco debentures 1956 — 1964 which were linked with the Dollar or the cost-of-living and guaranteed by the Jewish Agency and the Keren Hayesod has been absorbed and the list which opened on August 26, 1956 closed almost immediately. The entire issue was underwritten by a syndicate of the following financial institutions: Bank Leumi, Gmul, Palestine Discount Bank, Union Bank, Ellern's Bank, Jacob Japhet & Co., Feuchtwanger Bank, Halvaah Vehisachon and the Workers' Bank.

The cost-of-living linked Rassco debentures will be ruled by the C.-o.-L. index as published in August, i.e. at 244 in comparison with that applicable to the Keren Hayesod issue as published in July. This stood at that time at 240 and the index applicable to Igrot debentures at 246. This fact might have influenced the quick placement of the Rassco debentures. Holders of these debentures are requested to inform the banks through which they bought these bonds by November 28, 1956 as to whether they wish their bonds linked to the Dollar rate or the C.-o.-L. index.

New York is Recovering but Cautious

THE sharp decline on Wall Street, which featured last week's tradings after U.S. money rates rose in response to the increasing loan demands, came to a halt on Friday and an improvement began, although there was marked caution because of the Suez situation and the continuing rise in interest rates.

Dow Jones averages for 30 Industrials, which stood at 515.79 last week, came down to 502.34 and later recovered to 507.91.

London is Quiet, Uncertain, and Featureless

THE London stock market ended the week on a very quiet note. With the latest Suez developments responsible for the feeling of uncertainty on the market, business was restricted and featureless. Oil shares hardened slightly after the recovery on Wall Street, but failed to hold their gains. Reuter's Index for Industrials was 212.5 after 212.7 last week.

Paris is Indecisive, Gold Continues Active

PRICES on the Paris Bourse moved indecisively and trading was slight, operators holding off pending fresh developments in the Suez dispute. On the Paris Gold market business remained active. One kilobar of gold was quoted 487,000.- ffrs after 488,000.- in comparison with 480,000.- last week, with the Sovereign at 4,420 ffrs as against 4,400.- last week, after having touched a higher level earlier in the week up to 4,450.- ffrs.

The unofficial rate of the U.S. Dollar was 410 after 420, as against 413 last week.

Egypt Switching to Non-Sterling Currencies

THE Egyptian Government has switched its overseas trade to other currencies than Sterling to counter the effects of controls imposed by Britain. Exports to Britain had recently decreased immensely, while the Soviet Bloc is reported to have taken about one third of all Egyptian exports, but less than one tenth of Egyptian foreign supply came back from those areas. However, there is a possibility that other Arab countries with substantial Sterling holdings might help Egypt to obtain essentials.

U.S. AGRICULTURAL SURPLUS to the amount of $400,000,000.- is to be purchased by India for local currency, it is reported from Washington. Negotiations include a pledge from India not to reduce her normal purchases of rice from Burma and wheat from Australia and New Zealand. Moreover, the U.S. are negotiating with Brazil the sale from surplus of $100,000,000.- worth of wheat. Both transactions will extend over a three year period.

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WERBIN NOW MILITARY GOVERNOR OF GALILEE

Sgan-Aluf Yehoshua Werbin, Military Governor of Beersheba, has been transferred to the post of Military Governor of Galilee, in Nazareth. He replaces Aluf Mishne Michael Michael, who has been appointed Military Attache in Ankara.

Fuel Department
Ministry of Finance
ANNOUNCEMENT 5012/1

Tenders are hereby invited for the laying of the Haifa-Tel Aviv fuel line of 6" steel pipes.

1. Tender forms and particulars can be obtained as from yesterday, August 27, 1956, at the offices of the Israel Water Planning Authority Ltd., Hakirya, Tel Aviv, daily between 8 and 10 a.m., against a payment of IL5.
2. Tenders should be submitted in a sealed envelope and marked "Announcement 5012/1." by September 17, 1956, 12 noon, to the Fuel Dept., Ministry of Finance, David Bldg., 100 King George Ave., Jerusalem.
3. The Fuel Dept. is not bound to accept the lowest or any bid.

FUEL DEPT., Ministry of Finance

Tel Aviv Stock Market

AUGUST 27, 1956

Pop. Loans 1950/60 (IL.100)	99½
4½% Tevel Bonds 1957	97½
6% Dollar Loan 55/61	93½
4½% War Loan 54/60	95
4½% Gov Bds (large)	95
4% Reg. Sterling "A"	94
4% Res (Israel Currency "B"	96
Pal Bearer Bds. Ser. 3	99½
Bk. Leumi ord sh (1)	100
Bearer Savings Cert.	85
A.P.B. Investm ord sh "B"	2041
Hasit ord. sh "B"	941
Kliera's Inv ord.	151
P.E.C. Inv ord "B" h.d	99½
Gen Mortg. Bk. ord sh	714
Bisan 4% debs. 56/65	94
Nir 4% Debs (bearer)	97
5% pref. sh.	96½
Pass 4% debs 60/64 res	79½
"Teva" 6% debs.	82½
I.L.D.C. ord.sh.res	94½
5% (ser. C)	85½
Mtr. Pul Inv.ord.sh.	64½
Rassco 6% pref.ord. sh. (1)	87½
Pal. Potash 6%ord.sh	309½
"A" ord. shares	93½
Pal. Elec. pref. sh. (IL.20)	283½
4½% P.E.C. Debs. 57/64	104½*
	105½**
Hakerot pref sh.	75
4½s ord "B" sh.	104
6-8% ron. debs.	852
Kardaseh "ord "B"	106½
7% ons debs. 59/69	94½
Meller-Tne ord.sh reg. v)	945
Assets Reforme "B" sh.	73
"Tevs" ord sh (1)	129
Nesher 6% debs. "A"	102½
Pal. Cold St. 7% debs.	112½
ord.sh.reg.(full div.)	123
Pal. Cem. 7% 5% debs	105½
	96½

Notes: a) purchasing price, b) selling price; c) ex coupons, d) ex-dividend; e) ex right; x) in % of IL1,000; v) in Pruto; 15.8/15.12. * Dollar; ** Index.

NEW ROADS IN MINORITY AREAS

Three new roads in minority areas have been constructed recently with the support of the Ministry of Labour. A two-kilometre-long approach road was completed last week at Deir Manna. Another 10-kilometre road in the Druse village of Julis, Upper Galilee, and an approach road to Baka el Gharbieh have also been built.

See

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Today's Postbag

THE WEATHER

FORECAST: Sharav conditions, but sultry along the coastal plain.

	A	B	C	D
Mt. Cana'an	35	42	36	37
Tiberias	31	34	41	42
Haifa Port	75	36	31	33
Natanya	67	37	33	33
Tel Aviv Kirya	—	—	—	33
Tel Aviv Port	83	34	30	30
Lydda Airport	56	33	34	35
Jerusalem	14	34	35	37
Beersheba	40	33	37	39
Eilat	17	37	43	44

*A) Humidity at 8 p.m. B) Minimum temp. C) Maximum yesterday. D) Maximum temp. expected today.

ARRIVALS

Miss Tzila Shechter, from Brazil, where she did educational work for the Jewish Agency's Department of Education and Culture in the Diaspora for 18 months. **Miss Florence Schulkind** Firph, Director, Community Service, Keren Hayesod U.I.A., New York, on a visit.

DEPARTURES

Mr. Yehuda Horin, Chairman of the Board of Directors of Yakhin-Hakal and member of the Citrus Marketing Board, for Europe on behalf of the Board. Dr. M. Plessner, Associate Professor of Arabic Language and Literature at the Hebrew University, for Italy to represent the University at the Eighth International Congress for the History of Science at Florence; Mr. Hari Thakur, Development Commissioner of the Bihar State in India, after a 10-day visit.

NEARLY 700 immigrants arrived in Haifa in the s.s. Artsa yesterday. They were sent to agricultural settlements and development areas in various parts of the country.

* * *

NINE PARKING meters were stolen and several others damaged in Tel Aviv on Sunday night.

* * *

THE MINISTRY of Transport has announced that the Mevo Betar-Nes Harim road will be closed to traffic from 7 p.m. today to 10 a.m. tomorrow. The Bar Giora-Jerusalem road will be closed from 8 p.m. on Thursday to 6 a.m. on Friday.

Infiltrator Gets 9 Years in Jail

TEL AVIV, Monday. — A military court today sentenced Abdul Hamid Ahmad Hamdan, of the Gaza Strip, and formerly of Jaffa, to nine years in prison. He was caught last December carrying sacks containing about 4,000 bullets.

He admitted that he had crossed into Israel from the Strip in the direction of Jordan together with eight other men, and that he was captured after being wounded by a unit of the Israel armed forces which had set an ambush for the gang. Another member of the group was wounded. The rest had fled.

The accused testified that he joined a band on payment of a fee of one Egyptian pound. He denied carrying ammunition. He declared that he had gone with his family to live in the Gaza Strip to escape mobilization, after his mukhtar had advised him to join the *fedayeen*.

The defence counsel asked the Court to take into account the sufferings of the accused, that he had neither used the bullets nor had he thought of doing so, and that no members of the band had fired at the Israel soldiers.

The prosecution called for the maximum penalty, so as to discourage others in the Gaza Strip from using the south of the country as a thoroughfare to Jordan.

(Films)

N. AFRICAN FAMILIES SETTLE IN BEERSHEBA

BEERSHEBA, Monday. — Thirty families from North Africa, altogether about 200 persons, arrived here today and were immediately given homes in the Bet Quarter. The newcomers were given provisions sufficient for a week, a sum of money and furniture.

Twenty more families are expected on Friday.

BODY WASHED ASHORE

HAIFA, Monday. — The body of a man was washed ashore at Tantura, south of here, at noon today. It was brought to Rambam Hospital here. The man has not yet been identified.

B-G Wins Fight in Mapai Against Smaller 'Mercaz'

Jerusalem Post Staff

TEL AVIV, Monday. — The Mapai convention tonight reversed its own decision taken two hours earlier on the composition of the party Central Committee. By 347 votes against 25, with 204 abstentions, the Convention upheld Mr. Ben-Gurion's plea to quash the previous decision to select a 123-man Central Committee in favour of a 180-man body.

Mr. Ben-Gurion said that many districts have already chosen their representatives to the Committee on the assumption that they would be represented by 120 delegates out of a 171-man Committee. If the convention decided to have a smaller Central Committee, the districts would have to annul some of their elections, which would result in much ill-feeling, he said. The convention Steering Committee had proposed a body of 223.

The earlier decision for a smaller committee was taken with the 850 delegates and several hundred visitors on their feet with excitement

It won a majority of only five votes, with 434 in favour, composed mainly of the "younger generation," strengthened by the Haifa delegates as well as by the bulk of the Jerusalem and Ihud Hakvutzot representatives and some from the Moshav Movement. The Steering Committee's proposal for a body of 223 was mainly backed by Party members from Tel Aviv and the smaller towns.

Mr. Moshe Sharett, M.K., led the fight for a small central committee, arguing that the various pressure groups in the Party would have to sacrifice their demands for representation so that the new ruling body could be of workable size.

Own Suggestion

He denied that he belonged to any faction, and to prove it threw out a suggestion of his own that the Central Committee should have 111 members, about 60 nominated by the Steering Committee and 50 from the districts. Later, he withdrew this proposal.

While supporting the "progressive" minority of the Steering Committee in the question of a small central committee, Mr. Sharett warned about having too many inexperienced persons on the new body. He questioned whether the branch representatives who were clamouring for more democracy in the central Party organ were as eager for democratic procedure when they dealt with their own local branch affairs.

The chairman of the session, the Foreign Minister, Mrs. Golda Meir, allowed five speakers for and five against the proposals of the Steering Committee. The Committee had also suggested that two-thirds of the Central Committee should be elected by the Party branches, but that this decision should come into effect only after the next conference. This was opposed by the younger group of delegates who wished the decision to be effective immediately, and they carried the day with a vote of 548 against 317.

Nearly Victorious

Earlier in the day, the younger group had nearly scored another victory over the Steering Committee when they garnered 345 votes against 452 in a demand for the reconstitution of the Committee. The chairman of the Committee, Mr. Meir Argov, M.K., explained that the 94-member committee proposed had already had 15 meetings as the Conference Preparatory Committee, and that it represented all sections of the movement.

The debate was carried on amid disturbances from the floor which interrupted the proceedings for an hour, with Mr. Raphael Bash, Joint Secretary of Mapai, straining both his gavel and his voice to maintain order.

Later in the session, which was addressed by the Minister of Finance, the chair was taken by Mr. Sharett. The new chairman greeted Mr. Gershon Agron, Mayor of Jerusalem, who was present, and expressed the convention's appreciation of his "political fight against undermining forces in the Jerusalem Council." Mr. Agron had succeeded in averting a crisis and had formed a new and stable coalition, Mr. Sharett said.

Earlier, greetings were conveyed to the convention from the Asian Socialist Conference, signed by U Nu, former Burmese Prime Minister; the Socialist International; the Chairman of Publications of the Asian Socialist Federation, signed by the Burmese Deputy Prime Minister; the British Labour Party; the Socialist parties of Italy, Switzerland, Austria, Denmark, Japan, Malaya, Holland; and Poalei Zion organizations of various countries.

Greetings were also sent by the Ahdut Ha'avoda and Progressive Parties. A three-man delegation of Labour Zionists from the U.S. who are settling in Israel — Mr. I. Hamlin, Mr. M. Kohansky, and Mr. B. Zuckerman — was greeted with warm applause.

The convention stood in silence in memory of Devora Dayan, of Nahalal, who died a month ago.

In summing up at the Mapai Convention on Sunday the three main issues which constitute the crux of Israel's existence, Mr. Ben-Gurion said: "The defence of this country against any encroachment, not relying on outside help but sure of the moral help of many friends."

ESHKOL

(Continued from Page One)

of production and employment will drop, as will the standard of living.

Mr. Eshkol said that the percentage of unproductive workers — 38 per cent — was well above par, while many factories were not producing at their full capacity. The reason, he explained, was the lack of markets.

Though the standard of living of most persons is high, a minority — some 20 to 30 thousand unemployed families — get neither material nor spiritual satisfaction from the limited number of days on relief work.

Mr. Eshkol opened his address by citing Israel's achievements since the establishment of the State. He pointed to the great increase in the number of settlements, of land under cultivation, agricultural production, most of it on farms of the labour sector, and to Israel's progress in industry and in searching for natural resources.

About 85 per cent of the national income was earned by the labour sector and by those with small incomes. Over the past six years, the national income had risen by 17 per cent. Some IL3,000m. at 1955 prices has been invested, two-thirds of which came from public and national sources.

He closed his speech by outlining a "Vision of Development" for the future. His words were an extract from a speech he delivered at the seventh, the previous, Mapai convention, prophesying the country's present achievements. He then pinpointed further development plans to be carried out in the next few years: consolidation of settlements, continuation of water development, including the Jordan River project; industrial advance; housing; the encouragement of savings; the dispersal of population to development areas and expansion of shipping.

A NEW out-patient department for nervous diseases has been opened in the Haim Yasaky Hadassah Hospital in Beersheba. A specialist will receive patients once a week.

Council Picks Two Deputies Tonight

The Jerusalem Municipal Council will meet tonight to elect Mr. P. Jacobi (Progressives) and Mr. Rahamim Kalanter (Hapoel Hamizrahi) as Deputy Mayors in place of Mr. M. Gewirtzman and Rabbi M. Porush, of the Religious bloc.

Tonight's Council agenda includes motions of non-confidence in both Mr. Gevirtzman and Rabbi Porush, but Mr. Gevirtzman stated yesterday that he would hand in his resignation this morning.

Rabbi Hillel Lieberman, spokesman of the religious group, said yesterday that Mr. Daniel Auster had "apologized by phone this morning" for the fact that the Progressives had joined the new coalition. Rabbi Lieberman told *The Jerusalem Post* that until the Friday afternoon before the Council meeting, Mr. Auster had given the Religious bloc to understand that he would be willing to head a coalition with the religious parties. Asked to comment, Mr. Auster said last night that the Progressive party had decided to join the new coalition "without consulting me."

Residents Protest Noise of Trucks

Thirty persons who live in the wholesale market district of Jerusalem's Mahane Yehuda Quarter walked across town to the home of Mayor Agron at 3 o'clock yesterday morning to protest against the noise made by food produce trucks.

They claimed that every night between 10 p.m. and 5 a.m. the trucks disturbed the sleep of the 200 families living in the district.

Mr. Agron, who invited the delegation into his home, promised that he would study the possibility of postponing the arrival of the trucks until 5 a.m.

Arazi Returned Car

Mr. Shlomo Arazi, of the Ministry of Finance, over two weeks ago returned the car given to him by Mr. Meyer Weisgal of the Weizmann Institute, Mr. Arazi disclosed in a statement to the Press yesterday. He wrote that he had not wanted to make this fact public so as not to prejudice the inquiry into the matter being carried out by the State Controller at his own request, but an item published by an evening paper had forced him to comment.

He added that he had returned the car "even though he did not have the shadow of a doubt that there was no impropriety involved in accepting the gift." He explained that after the public had received an incorrect impression of the matter, he "became fed up with using this car, which had created the impression, and decided, without any feelings of remorse whatsoever, to return it to the generous giver."

GAME WASHED OUT

LONDON, Monday (Reuter). — Rain prevented play on the fourth day of the final test between England and Australia at the Kennington Oval here today. A heavy rain fell and the pitch was under water.

Scoreboard: England, 247 and 76 for 1 wicket; Australia (not S. Africa as incorrectly given yesterday) 202.

Beersheba Families Leaving After Converting to Christianity

Jerusalem Post Staff

BEERSHEBA, Monday. — Seventeen families from this area, including some who were among the first settlers in the town five years ago, have left this area on the way to Brazil. It is believed that all have been baptized at a missionary institution in Jerusalem, and that four families have already left for Italy *en route* to South America. It is believed that entry regulations into Brazil make it somewhat easier for "Christians" to obtain visas than for Jews.

Several of the families owned profitable small businesses. One of them had been employed as a foreman by Solel Boneh at a salary of about IL400 a month, and was able to dispose of his flat here for IL5,500. Unwilling to say what his plans for the future were, he had told acquaintances in the town that he had been "transferred to Jerusalem by the office." Of the others who left, one owned a textile shop, one a restaurant, and two greengrocers shops.

"Visa Conversions"

There has been talk here in the past of "visa conversions" in the style of the "rice conversions" that were known in famine years in China, but the Protestant Missionary Alliance here declares that it is not willing to accept candidates for conversion who intend to emigrate.

According to a spokesman of the Alliance, "the mission is only interested in people who seek to accept the teachings of Christ and to remain in Israel to set an example to others." Some persons who had applied for conversion did not come back again on being told that they could be offered no assistance to emigrate.

Owing to the comparatively large number of families involved in the present action, and particularly the fact that most of these families have young children who will in this way lose all contact with their Jewish background as well as forfeiting their Israel citizenship, the situation has been discussed by the Municipal Council here.

While all persons, baptised or unbaptised, are free to leave, these departures have been kept strictly secret, and there appears to be reason to suspect that whatever agency has arranged and financed their trip to Brazil has also assisted the emigrants in transferring their money abroad without permission.

The Ministry for Religious Affairs in Jerusalem has confirmed that 17 families from Beersheba were leaving the country. Most of them had originally come from Rumania and several of the heads of families were married to non-Jewish women. He said that they were believed to have been baptized before their departure, but that no details of this were known.

One rumour in Beersheba has it that a Roman Catholic priest has frequently visited this town during recent months, but a statement made in Jerusalem last night by Father Terence Kuehn said that no such conversions had taken place in any Catholic Church in the capital. According to another version, the emigrants have been assisted by Communist funds.

Tiberias Improves Emergency Service

TIBERIAS, Monday. — Additional improvements in the emergency transport service were introduced by the Municipality today with a view to stopping profiteering and ensuring a regular time-table.

The Municipality and Traffic Police have issued licences for five lorries which were first carefully examined.

All other trucks were withdrawn as they had in any case become unnecessary. Many persons are walking to work, and there has been a drop in the number of passengers since the bus strike started.

Fares, exceeding those on buses by up to 30 per cent, were also fixed.

Strike Frays Nerves Of Haifa Passengers

HAIFA, Monday. — The transport strike is now beginning to tell on passengers' nerves. At noon today, queue-jumping, shouting and pushing occurred even at the bus stops on Mount Carmel, where passengers are usually considered the most disciplined. The higher temperature also helped to fray tempers.

This evening, the queues for taxis from Hadar Hacarmel to Mount Carmel were unusually long, with only a limited number of taxis running the *sherut* service. On Mount Carmel, on the other hand, there was a long queue of taxis waiting for passengers to Hadar. The drivers were unwilling to go down empty or partly full to pick up passengers waiting in Hadar.

Business in the Hadar and Lower Town has been badly hit by the strike. Mr. David Schiffman, Secretary of the Merchants Association, told *The Jerusalem Post* today that turnovers had fallen off by up to 30 per cent.

Youth from France Dance on Carmel

HAIFA, Monday. — About 150 teenagers from all over France, some of them members of Zionist youth organizations, had an evening of song, dance and entertainment together with Haifa youth on Mount Carmel tonight. It was the closing event of the visitors' six-week stay in Israel.

The boys and girls, aged 14-17, were brought here by the Youth and Hehalutz Department of the Jewish Agency. This is the sixth successive year that these vacation trips have been organized.

FRENCH FILM ON NAZI HORRORS

A 30-minute French documentary film on Nazi concentration camps, "Night and Fog," was shown at Jerusalem's Orion cinema yesterday in the presence of President Ben-Zvi; the French Ambassador, M. Pierre Gilbert and senior Government officials.

M. Gilbert, speaking in Hebrew, said that the film did not aim at inciting renewed hatred of the German nation, but to serve as a memorial for those who had perished in the camps.

Bold Shipping Programme

Jerusalem Post Staff

As recently as 1953, when the Zim company first applied for an allocation of Shilumim funds to rejuvenate its obsolete fleet, its programme was cut down because economic experts claimed that shipping should not be accorded too high a priority on Israel's purchasing list. The Economic Advisory Staff, headed by Mr. O. Gass, recommended replacing only a part of the outworn units, and that the fleet's carrying capacity should not be expanded, for this would undermine the company's earning power and reduce the "added value" of its proceeds. For the time being — so it argued—Zim had been operating in relatively sheltered waters, its activity being mainly confined to a fairly lucrative specialized passenger traffic and to transporting relatively valuable commodities that could bear higher freight rates.

Since its share at that time was about 30 per cent of Israel imports (exclusive of oil) and 22 per cent of exports, Zim could afford to be choosy about accepting the most suitable and profitable types of cargo. Besides, it was paid slightly more on the average than would have been necessary for foreign non-conference shipping operators, and — again — the Israel economy could stand the difference because of its limited range.

Runs Risk

By expanding operations beyond prudent limits, Zim would run the risk of losing all these advantages. It would also have to carry low-freight bulk cargoes and to depend to a greater measure upon the highly competitive tramp shipping trade. And it would forsake its special premium just when world shipping would be going in for another slump. The experts said:

The extraordinary demand for shipping resulting from Europe's postwar reconstruction effort and from the Korean war has now been eliminated... Tonnage is still increasing rapidly... Consequently, if there should be any movement in shipping rates from their present level, it seems unlikely to be upward.

We cannot read these statements now without a smile. The forecast has been completely belied by subsequent events. After a fairly stable period in 1954, world freight rates rose in 1955 to almost Korean levels and the upward tendency continued — with small recessions — throughout 1956, despite unprecedented activity in shipyards all the world over.

At the moment, shipping prospects are considered definitely bright for many years to come — in fact, the high level of new construction is the best evidence of the confidence with which shipowners now face the future. Economists speak about a "structural change" that has taken place in world trade, in the wake of which the volume of world cargoes perpetually exceeds the merchant marine's carrying capacity, and in fact, the demand for bulk shipping and tramp rates has soared most.

Increased Net Profits

The Zim company (which carried through its renewal programme very belatedly, because of the stiff opposition of most Government departments) was also able to increase net profits and to raise the "added value" of its earnings (to almost 33 per cent in 1955 — and presumably more this year—against less than 22 per cent in 1952) despite the slight expansion of its operations. It has already entered the bulk cargo trade for wheat and crude imports to this country, and is progressing at a speed into the international tramp business, accompanied by economists' blessings and bankers' credits. Moreover, the other Israel shipping companies are all heading in that direction.

Leaving aside the trustworthiness of forecasts concerning the long-term revival of international trade — which all of us must hope will come true — there still remains the question of whether this alone warrants such a complete reappraisal of Israel shipping prospects. Is it really as simple as all that in this particular field, which is so open to international competition, and is adversely affected by the Arab boycott? Will Israel be able to hold her own here better than in most other industries?

Silliest Answer

The silliest answer would be, of course, that hard pressed as we are to speed up the spending of Reparation funds, we just cannot afford to wait for industries demanding gradual development and prolonged running-in, and have to risk ordering vessels which at least maintain their re-sale value. Should this prove true, it would be tantamount to acknowledging the utter failure of our investment planning, coupled with double-talk regarding merchant marine prospects.

As a matter of fact, there seems to be at least one major factor in our favour: the rapid rebuilding of the world's fleet now going on necessarily means its total modernization, with obsolete units rapidly becoming submarginal. Firms and nations possessing modern, highly efficient vessels could therefore reap rich rewards even though older ships would barely make ends meet or even work at a loss. Their position would even relatively improve in a slump when freight rates drop and marginal profits disappear.

That is why all seafaring nations are now standing in line at the shipyards urging speedy delivery, and Israel has indeed been successful in getting a merchant marine of the most up-to-date order on time. While 75 per cent of the present British tonnage has been built since 1939, 67 per cent of Zim's fleet is less than 10-year-old, and in another year's time some 80 per cent will be less than 5-year-old. Nobody — least of all Zim's management — can doubt that it is the advent of the new shipping units that turned the scale from a cautious to a bold policy.

("Zim's New Fleet," p. 4)

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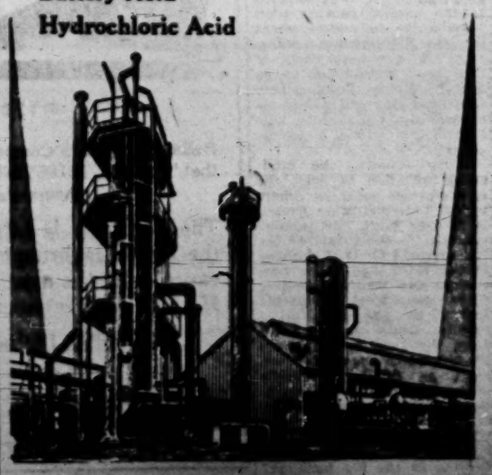

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We deeply mourn the untimely death of our dear member
Uriel Hattendorf
and extend our profoundest sympathy to the bereaved family.
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With deep sorrow we announce the passing away of our beloved
Beate Rothstein
on August 26, after a long illness.
Samuel Rothstein and daughters, Haifa
Dr. and Mrs. F. Grumperts, Jerusalem
Dr. and Mrs. Erich Markus, Jerusalem
Else Rosenbaum, Ramat Chen

We deeply regret to announce the death of our beloved mother, grandmother and sister
Dela Holzmann
(nee Neuberger)
who passed away in Washington D.C., on Aug. 26, 1956, after a prolonged illness.
Walter & Hanna Holzmann, Gadi and Gila (Gane-Am)
Herbert Holzmann, (Denver, Colorado)
Lene Wiesenfeld (Washington, D.C.)

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STRIKES — like wars — either end in stalemates or bring about violent changes far exceeding what was thought possible when they started. In the present bus strike too, while vehicles are standing idle things are moving rapidly and the nature of the crucial issue is changing beyond recognition. It is already clear that whatever the conditions will be for the eventual resumption of bus service, no return to the pre-strike situation can be contemplated.

SECOND THOUGHTS ON BUS STRIKE

Both the co-operatives and the public have lost all confidence in a system of ownership and control that has generated so much mismanagement, friction and mutual ill feeling for years, and in the end proved unable to prevent the present mess. The need therefore is not only to end the acute conflict, but also to start a new era in passenger transport. However, if we are to do so, many accepted notions must be reappraised.

There is the problem of an equitable passengers' fare, on which the bus strike hinges. Will it be solved by adopting the Government's — or the co-operatives — proposal? By neither, because both are faulty from the economic point of view, i.e. they cannot conform to the basic criteria of sound business. A small owner-driver operator may be forgiven for handing over the money he earns to his wife, putting into his business only what is left over from household expenses and never knowing whether he is getting rich or wasting his capital.

For a country-wide concern with a turnover exceeding IL30m. a year this would be a rather peculiar practice. Nevertheless, the bus co-operatives stick to the principle of giving members' emoluments (including several fancy benefits), first lien upon proceeds, and this is largely condoned by the public committee and the Ministry of Transport. Indeed, the main difference between the committee's recommendations and the co-operatives' demands concerns such niceties as the 16 per cent wage hike (conceded this year) for the 13th month's salary, the exact calculation of "extra" work (for which premium wages are paid), or the payment by the co-operative of the members' National Insurance premiums.

The fact that these and similar items amount to over IL50 a month for each member is significant enough. But equally significant is the fact that the model budgets approved by the public committee do not include depreciation of fixed assets, workshops etc., nor any reserve for emergencies or expansion. Furthermore, depreciation of buses has been estimated in a rough-and-ready manner because proper balance sheets and other accounts are simply not available and when dealing with the need of more capital for future investment the committee merely refers the co-operatives to accepting new members or to getting funds from "institutions interested in public transport, including the Government."

Is not this the road the co-operatives have been travelling all along? Did they not distribute all liquid assets in the sure knowledge that the public would foot the bill?

Then there is the problem of vested interests. What are the bus co-operatives worth? The question has at once become topical at the suggestion of their being taken-over by the State. At the price of IL8,000 per member-share Eshed would be worth some IL17m., but how has this price per share been fixed?

Is the capitalization to be made at the 13 per cent interest rate as proposed by the committee? Are the members also to get — in addition to the capital compensation — priority for employment in the State-owned enterprise? Is a re-assessment of their past investments to be made? Where does private monopoly stop and public responsibility begin, especially regarding public conveyances?

There remains the intriguing question of why the co-operatives react so calmly to the nationalization threat. Is it only bluff, or genuine concern for the future of the bus service? Or is it perhaps indeed safer and more convenient for them to become State employees, sheltered forever in the fold of a mighty trade union, freed from the need to pay even lip service to such obnoxious ideas as efficiency, public convenience, and profitability? Will not their example become contagious in fields where the risks are much bigger and the rewards smaller than in the bus business?

Economic News from Abroad

Tonnage Up 60 Per Cent

● The world's merchant ship tonnage increased by approximately 60 per cent over the pre-World War II level, according to the American Bureau of Shipping. There are now over 15,000 merchant ships totalling 130m. tons deadweight, compared with 81m. tons that were active before the war. The 1955 output of shipyards included 172 tankers of 2.2m. tons deadweight, 377 dry cargo ships of 2m. tons, and 17 passenger ships of 137,000 BRT.

Arabs Feed on Oil

● The oil industry in the Middle East has an invested capital (including refineries and pipelines) of about $2,500 m. and employs about 150,000 persons. It is making direct contributions to local governments of some $880m. a year, in addition to spending about $200m. for wages and local purchases. In 1955, oil income plus local expenditure of the oil companies represented approximately one tenth of the national income in Iran and Syria, one third in Iraq, between 45 and 60 per cent in Bahrein and Saudi Arabia, and over 90 per cent in Kuwait and Katar. Oil revenue accounted for 38 per cent of the total government revenue in Iran, 53 per cent in Iraq, 71 per cent in Saudia and 97 per cent in Kuwait.

Wage Pegging in Australia

● Another attempt to curb inflation has been made by the Federal Government of Australia. Budgets have been revised downward, in particular for defence, and an effort is being made to find a formula that would get the trade unions to drop the pegging of wages. Though pegging was discontinued by the award of the Federal Arbitration Court in September, 1953, automatic wage adjustments have been introduced in four states by Labour Governments, while on the other hand prices continued to climb. As a *quid pro quo* for the abandonment of wage pegging, an excess profits tax or other imposts on capital have been proposed to the unions.

Yugoslavia Stops Inflation

● The economic situation in Yugoslavia has been consolidated following the disinflationary policy pursued this year. Investments were reduced by over 12 per cent compared with 1955, and there was a drop in currency circulation. The monetary income of the population rose 7 per cent in the first half of 1956 (compared with 25 per cent in the corresponding period of 1955), and has almost been matched by the rate of increase in domestic production. Moreover, authorities hope that eventually the 10 per cent target planned for production increase this year may be achieved. There is already an accumulation of stocks of both industrial and agricultural goods and the price level is almost stable. Exports increased by 31 per cent, despite setback in the export of raw materials.

Local Economic Briefs

More Fruit

● The supply of fresh fruit this summer is considerably above last year's level. In July, Tnuva sold 2,700 tons of table grapes (against 1,800 in July a year ago) and 200 tons were processed into alcohol. Sales of plums reached 750 tons (compared with 175), apricots 100 tons (30). However, sales of apples were only 250 tons, against 290 in July, 1955.

Steel Plant

● Construction of the steel plant at Acre is nearing completion. It is the third unit of the steel combine established there by Solel Boneh — the other two are a pipe extrusion plant and a rolling mill, which are to use local steel ingots next year. The steel plant will have two Siemens-Martin furnaces of 40 tons capacity each (on a single shift basis) and is planned to produce 50,000 tons a year. Local scrap will be used as the main raw material, with a small addition of imported metal. Heavy fuel oil will be used for heating the furnaces. The added value of the produced steel is to be about 50 per cent. The plant is to start work in about three months and to operate round the clock. It is to employ some 170 workers.

Less Labour, Less Land

● The total cultivated area in *moshavim* increased over 6 per cent to 714,000 dunams in the past agricultural year, but while there was an expansion of 68,000 dunams (23 per cent) in acreage cultivated in new immigrant settlements, the acreage in other settlements decreased by 25,000 dunam (3 per cent). The decrease affected *moshavim* all over the country with the exception of young *moshavim shitufiyim*, and was greatest in the oldest settlements, where it reached almost 10 per cent of the total cultivated area. The number of workers also decreased there, partly because experienced farmers and farmers' sons have been sent as instructors to new immigrant villages, but partly as a result of a slight decrease in population.

Too Many Planners

● A new cadastral survey of agricultural holdings has been proposed in view of the many inconsistencies between land allocations made by various authorities which hinder proper planning and serve as pretexts for conflicts. Thus, Lavi settlement in Lower Galilee is in possession of about 8,000 dunams, but has only been allotted 3,000 dunams by the Agricultural Planning Centre and about 5,000 dunams by the Jewish National Fund. For Sdeh-Ilan, the respective figures are 6,000-7,000, and 5,500 dunams. A complete survey would take several years by ordinary methods, but may be greatly shortened by means of aerial photography. A first instalment of some IL2m. for this purpose may be included in next year's Government budget.

Big Zim Fleet to Face Competition

By Our Economic Editor

THE Zim Company in 1955 carried 60 per cent of Israel's passenger traffic and 22 per cent of the dry cargo imports (compared with 34 per cent in the previous year) partly because a considerable percentage of the German Reparations goods is now carried in German bottoms and partly because the company's fleet has been temporarily diminished by the sale of old units, and its capacity reduced by calling upon more ports. It also carried 18 per cent of the country's exports.

This was accomplished with the help of a fleet which (at the end of the year) comprised 20 cargo ships with a total of 98,200 deadweight tons, three passenger ships with a total of 19,800 gross tons and one mixed ship of 9,800 gross tons. These units' written down value at the last accounting date was $21.5m., but at current prices they are worth perhaps $27m.

In addition, Zim employed a number of chartered vessels which carried 17.4 per cent of the total cargo and a portion of the immigration flow from North Africa, but it should be borne in mind that several of the new vessels were in actual operation only a part of the year, and that not all of them have presumably been utilized to capacity.

New Vessels Added

Moreover, a number of new vessels were added to the fleet in 1956, including a second mixed ship (the Zion, sister to the Israel) and one tanker (of 18,500 tons). The passenger ship, Theodor Herzl, is to follow shortly and several cargo ships totalling almost 35,000 deadweight tons (including two bulk carriers and two special purpose refrigerated ships) are due for delivery by the end of 1956. On the other hand, one more old vessel was sold in 1956 and another may follow.

The position can thus be summarized as leaving the company with a fleet sufficient to carry approximately one quarter of the country's present cargo trade and all of its seabound passenger traffic. In order to achieve the target of carrying 50 per cent of Israel's trade in her own ships (taking into account the share of the other domestic shipping companies, and, on the other hand, the expected increase in citrus shipments), Zim would therefore be justified in planning to double its present fleet. Detailed calculation shows that even somewhat more would be needed.

However, Zim intends to exceed this goal by far. The new expansion programme runs up to some $70m., comprising 20 cargo ships of 1,500-7,000 deadweight tons (89,000 tons altogether) for liner service and another 10 ships of 15,000-20,000 tons capacity for use as tramp steamers. The accomplishment of this programme would increase Zim's tonnage to almost 400,000 tons (besides at least 50,000 tons of the other shipping companies) Israel would thus definitely be put on the world shipping map, not only by the volume of her services but also by their diversity.

Apart from the tramps, (of Zim and El-Yam alike) the fruit carriers of the Degan class are expected to be employed abroad, especially in the traffic of the St Lawrence River Seaway (which is expected to become one of the world's main shipping lanes) during the off-season months. The mixed passenger-cargo ships and the passenger ships, too, are to be used partly for cruises in the Mediterranean and in the Caribbean without even touching Israel.

How long, however, will the advantage of Zim's modern tonnage hold up? It depends upon the pace of shipbuilding activity on the one hand, and upon the future volume of international trade on the other, which together will fix the level of marginal freight rates and shipping units. In any case, it is obvious that it is bound to decrease progressively.

Wage Trend

At the same time, some cost elements may develop adversely. Thus, crew wages and social expenses which dropped from 15 per cent of the turnover in 1952 to about 11 per cent in 1953 (in the wake of depreciation in the Israel Pound) have gradually risen since to 12.3 per cent last year and this trend is not likely to stop there. Overhead expenses have also increased disproportionally. And the setting up of a shipyard in Haifa, however useful from other angles, is hardly likely to cheapen repairs and renewals. When planning investment on a scale envisaged by Zim and for the long periods inevitable in shipping, one can only use the technical lead as an advantageous starting point, but not as a permanent protective factor.

In the long run, Israel shipping will have to face the same problems as the rest of our export industries, and to solve them by similar methods: the thorough training of personnel, overall economy, steady pressure for efficiency and a high level of management. Its success will also depend on the general economic policy of this country.

Thus in 1953, Zim was driven into a difficult financial position by the Government's unwillingness to approve a realistic rate of exchange for its foreign currency earnings. Recently again, claims for an "export premium" similar to that paid to other industries have been voiced by the company's spokesmen. Another — rather curious — consequence of the domestic financial situation is that the company apparently prefers to raise abroad the capital it needs for even local expenditure, since the much talked about issue on the Tel Aviv Stock Exchange has been shelved for the time being.

Assets and Liabilities

The prudence of this policy may be doubted, as a sound capital structure is of basic importance for the company's successful development. To be sure, the position was somewhat consolidated last year, but more remains to be done.

At the end of 1954, current liabilities exceeded current assets by IL3.6m., i.e. almost 50 per cent. By the end of 1955, this excess decreased to IL1.7m, i.e. but 16 per cent. However, there was a slight drop in the share of fixed assets covered by share capital and reserves (from 43 to 39 per cent), even though this is also quite an achievement if one keeps in mind that the assets' value has risen from IL37.8m. to IL43.1m.

Moreover the company put aside IL2.8m. for depreciation (compared with IL2.3m. in 1954), i.e. over 6 per cent of the "fleet at cost or adjusted" item at the end of the year.

New York Bank Loan

Of the IL24.9m. (IL11.7m. long and medium term liabilities) IL10.5m. comprised loans from the Israel Government, in connection with the fleet expansion, but a part of the amounts originally due were already repaid by means of a $4.5m. loan, which Zim succeeded in obtaining at a favourable rate of interest from New York banks. The amount of medium term debts diminished to IL1.8m. (IL2.2 m.).

The company's capital make-up has been recognized by a somewhat complicated procedure, in which IL3.4m. of new deferred shares were issued by way of bonus and, on the other hand, IL5.4m. was raised by the issue of $3m. 3 per cent perpetual debentures (to the Ampal Company). The year's net profit was IL670,000, while taxation amounted to IL350,000. Dividends absorbed a mere IL180,000 and another IL100,000 was required by capital increase expenses.

The following figures indicate the company's development in recent years:

In Thousands of Dollars	1952	1953	1954	1955
Turnover	10,726	16,570	17,396	20,083
Crew wages and social expenses	1,580	1,869	2,304	2,657
Fleet depreciation	764	—	1,370	1,396
Fleet — written down value	8,285	10,820	12,655	21,631
Other fixed assets	2,510	2,974	3,229	3,234
Current assets	4,396	4,396	6,218	6,166
Share capital, debentures and reserves	6,304	6,444	6,759	9,622
Loans and deferred liabilities	4,146	5,266	6,534	13,261
Current liabilities	4,641	6,130	8,198	6,673
Passengers carried (Zim ships)	47,900	57,600	62,000	65,500
Cargo carried (tons)	310,000	702,000	765,000	892,000

TNUVA BLAMES FARMERS

Jerusalem Post Staff

FARMERS who failed to live up to their contracts with canning factories are to be blamed for the glut of cucumbers in the second half of last June and the ensuing drop in prices, according to the Tnuva management. Early this year, contracts for canning cucumbers at fixed prices were signed by factories for an acreage of 3,500 dunams (i.e., over 20 per cent of the total cucumber area) mainly in new immigrant settlements. However, at harvest season, quite a number of contracting farmers preferred to sell their crops in the market in order to benefit from the higher prices.

Only when prices there declined and considerable quantities remained unsold were deliveries to factories resumed, with the result that both local marketing and the canning timetables were completely upset.

As a matter of fact, farmers who supplied the produce according to contract fared best, as factories also accepted a percentage of second-grade cucumbers at reasonable prices, while only top quality produce was saleable on the home market. The supply of cucumbers was 3,150 tons last June, compared with 1,670 tons in June, 1955, and almost half of the total quantity was of inferior grades. Factories absorbed some 800 tons of first-grade cucumbers, while surpluses left over in the market were taken over by the Vegetable Fund at minimum prices.

Markets Glutted

In the marketing of tomatoes, a similar development has taken place and was partly responsible for the accumulation of surpluses which had to be destroyed eventually. Factories contracted for canning purposes the first-grade crop of some 4,500 dunams, but many farmers insisted on sending their product to the retail markets or the assumption that industry would take up any surplus quantities anyway. As a result, markets were glutted, second-grade produce became unsaleable, unnecessary trans-shipment costs had to be charged to the farmers, while factories complained that the produce delivered was partly not up to the canning standards. Only 600 tons of tomatoes were supplied directly to factories as originally intended, and that, too, after special measures had been taken and a premium set for farmers supplying according to schedule.

Tnuva points out that difficulties in the marketing of potatoes have also been caused by unsatisfactory grading of the produce delivered. In some cases, shipments had to be rejected — in particular as the available storage accommodations were strictly limited — and when sold, rather poor prices were obtained.

1,279 FLATS FINISHED

A total of 1,279 apartments, containing 2,369 rooms, were handed over to flat owners in the year ending in April. In addition, 483 roomettes and 384 rooms added to existing flats were transferred to owners, the Ministry of Labour announced.

Of these flats, 779 were for new immigrants, 200 were in rural areas, and 300 in other public housing projects.

Ship Repair Firm Growing

By Y. FRIEDLER

THIS has been a year of development for the Palestine Ship Repairs Ltd., a veteran Haifa firm, (with a name dating from well before the State) and which is now headed by Chief Engineer Yitzhak Tovim. The year has been especially good for the repair of foreign vessels calling at Haifa.

So far repairs have been carried out on 250 non-Israel ships by the firm. These repairs have ranged from the replacing of a broken port hole pane to the repair and strengthening of two collapsed furnaces in the s.s. J. Toft a couple of weeks ago. This work has given the company a foreign currency income of about $20,000 a month.

At the same time, the firm has also carried on its business of "every repair above the water line" on Israel vessels. The ratio between local and foreign ships handled has been about 50-50. On the hard currency market, the firm has been responsible for about 80 per cent of all repair work done on foreign ships in Haifa.

For the future, the firm hopes to be allowed to use the floating dock facilities. However, it believes that the dock will not really become a paying proposition until it is sited properly (probably in the Kishon Harbour) next to a repair yard, and not as now in the middle of Haifa Port, with no access to a repair shop.

Another engineer working for the firm, Mr. Yigal Tovim, has just returned from marine engineering studies in Britain. He is now planning the manufacture of small marine sports craft, to be produced by the company as a sideline to its repair activities.

Other shipping and economic news will be found on pages 2 and 3.

Israel Pavilion at Izmir Fair, said to be one of the best of the 17 countries represented, covers 800 square metres. Photo shows well-styled interior with pictures of Israel and Turkish Presidents. Photo Alkim, Izmir

A total of 500,000 persons have seen the Israel pavilion at the Izmir Fair during the Fair's first week, Mr. Nahum Maron, the pavilion's architect, told *The Jerusalem Post* soon after his arrival from Turkey, and the figure has been authenticated.

Among the visitors were the Director of International Trade Fairs of the U.S. Department of Commerce, and the architect of the Russian pavilion. The former said that Israel had the best exhibit at Izmir, while the latter commented that it was "very modern, and we Russians have a lot to learn from it."

Mr. E. Justic-Dayan, director of Israel exhibits at foreign trade fairs, was chosen chairman of the committee of foreign exhibitors at Izmir. Others on the committee are representatives from Britain and Czechoslovakia. Altogether 17 foreign countries are represented, among them Persia. No Arab nations are present.

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